

# The Financial Times of Indiana

## Balanced budget news from the Office of Governor Frank O'Bannon

Wednesday, January 30, 2002

[www.IN.gov/gov](http://www.IN.gov/gov)

### The News in brief...

A good education can ensure a bright future for individual Hoosiers. Likewise, a well-educated workforce can ensure a bright future for our state - especially when that workforce boasts workers who have taken advantage of the high-quality post-secondary education Indiana offers. Indiana will grow - as will its individual citizens - if we maintain a vibrant educational system that produces a workforce qualified for high-quality, high-tech jobs. Those jobs, in turn, will give our new college graduates further incentives to make Indiana their home.

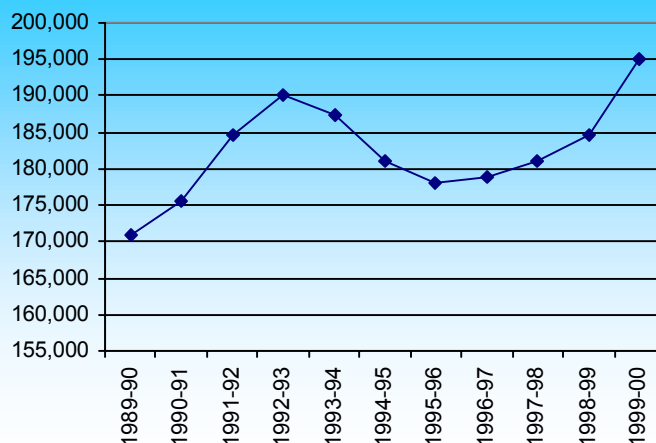
In the past four years, the O'Bannon-Kernan Administration has worked hard to provide sufficient funding for the state's universities. Indeed, higher education has been a top priority, as funding was increased 30% during that time. In addition, Governor O'Bannon created the Community College of Indiana to provide yet another accessible and affordable way for Hoosiers to obtain a college education.

Important investments were made in Indiana during the good economic times of the past few years. However, because the state, like almost every other one in the country, is now in an economic recession, virtually every state agency and service - including the universities - is being asked to make sacrifices. For instance, \$29 million has to be cut from the universities' budgets, but the governor has asked the legislature to allow the universities to use a like amount of technology money to make up the difference.

The progress we've made is at risk and the cuts will be much deeper if House Bill 1004 is not passed by the legislature. Thanks to the work of Ways and Means Chairman Pat Bauer and other House members, the measure is moving. The process is working. And there is hope for Indiana's future.

### Reaching for the Sky in Higher Education Enrollment

Undergraduate Headcount Enrollment in Indiana  
Public Higher Education: Fall 1989 - Fall 1999



Source: State Budget Agency

#### Visit the Indiana Commission on Higher Education at:

<http://www.che.state.in.us/>, or find out about student financial assistance opportunities at: <http://www.in.gov/ssaci/>

### What People Are Saying

"A quality education is no longer an option for our citizens; it is a necessity in today's economy. The investment of tax dollars in education will always pay enormous dividends for our society and economy."

-- Ball State President Blaine Brownell

Source: BSU News Center

#### Did You Know?

Indiana now ranks 17<sup>th</sup> among the 50 states in the percentage of high school grads going on to college, up from our ranking of 40<sup>th</sup> in 1986.

For a look at projected budget deficits (as of 1/25/02) for other states, go to:

<http://www.nasbo.org/Publications/State%20Budgets%20-%20January%20to%202002.htm>

### Indiana is not alone in facing a budget crisis

Newly elected Virginia Governor Mark Warner's budget for Fiscal Years 2003 and 2004 makes tough choices by deferring raises for the state employees, teachers and faculty, as well as allowing state universities to raise tuition up to 5% to offset budget cuts. Warner also called for across-the-board state agency spending cuts of 3% this year.

In Kentucky, Governor Paul Patton was forced to reduce higher education funding by \$18.5 million. Turning to the state's higher education system as a source of funds to meet a \$530 million budget shortfall, Patton warned that the double-digit increase for the state's colleges and universities in the past will dwindle to no increases at all in order to cope with the national recession.

Sources: National Association of State Budget Officers, Virginia Office of the Governor, Louisville Courier-Journal

### What Hoosiers Get For Their State Tax Dollars

#### Affordability

Over 43,000 Hoosier students benefited from the State Student Assistance Commission of Indiana (SSACI) by receiving aid for higher education through grants and scholarships in the year 2000.

#### Technology

I-Light is a high-performance optical fiber network that links IU, Purdue, and IUPUI. According to Governor O'Bannon, "In addition to being the Crossroads of America, Indiana now is the 'Crossroads of Information'."

#### Scientific Advances

With leadership from Governor O'Bannon and members of the General Assembly, Purdue University launched "Discovery Park" in Fall 2001. The 40-acre, \$100 million facility houses a bioscience and engineering center, and will focus on the research and development of [nanotechnology](#), a science focusing on the development of everything from medical instruments to computers.

#### Accessibility

Indiana enjoys some of the lowest tuition in the nation for state institutions, led by the state-funded freeze at the Community College of Indiana and its partner institutions - Ivy Tech State College and Vincennes University.

**Be on the watch for:** An update regarding legislative activity on House Bill 1004...

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